



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Conduct a Public Hearing on May 18, 2011 to Introduce an Ordinance on Economic Incentive Rate Discounts

MEETING DATE: May 18, 2011 ■

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Conduct a public hearing on May 18, 2011 to introduce an ordinance on economic incentive rate discounts.

BACKGROUND INFORMATION: Several Electric Utility Department economic incentive rate discounts are scheduled to sunset on June 30, 2011. The expiring rates were designed to attract businesses that would help the City meet certain goals, such as increasing wine tourism and/or occupying vacant buildings, and attracting industry.

Instead of renewing those rate discounts, the EUD proposes broad-based discounts to take effect July 1, 2011. These discounts would apply for 12 months to any new business locating in Lodi or any business adding two or more full-time employees. The maximum rate discount is 15 percent. The proposed economic incentive rate discounts will streamline the application process, be easier for utility staff to manage and, hopefully, lead to more business creation and expansion in Lodi.

New Business Rate Discount

This discount is available for any new commercial or industrial customer that locates its operations to Lodi for a minimum of 12 months. The rate discount goes into effect July 1, 2011 and expires after June 30, 2013.

Rates: A discount on the customer's electric utility rate only, shall apply as follows:

* G1 customer	15%
* G2 customer	10%
* G3 customer	5%
* G4 customer	5%
* G5 customer	5%
* I1 customer	5%

New Jobs Rate Discount

This discount is available for any commercial or industrial customer that adds a minimum of two full-time positions after July 1, 2011, and retains those positions for at least 12 months. The discount shall be in effect for 12 months and will expire after June 30, 2013.

APPROVED:

Konradt Bartlam, City Manager

Rates: A discount on the customer's electric utility rate, shall apply as follows:

* 1 percent discount for every full-time position added (capped at 15 percent).

FISCAL IMPACT: Unknown at this time. The magnitude of the financial impact will be dependent upon the number of participants.

FUNDING: Not applicable.



Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Rob Lechner, Manager, Customer Service & Programs

EK/RL/lst

DRAFT

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING LODI MUNICIPAL CODE CHAPTER 13.20, "ELECTRICAL SERVICE," BY REPEALING AND RE-ENACTING SECTION 13.20.315 "SCHEDULE EDR-ECONOMIC DEVELOPMENT RATES IN ITS ENTIRETY

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Section 13.20.315 Schedule EDR-Economic Development Rates is hereby repealed and re-enacted in its entirety to read as follows:

- A. New Business Rate Discount – NBR Discount, applicable to any new commercial or industrial customer that locates their operations/business that receives electric utility service from the City of Lodi, with the following stipulations: a customer assigned to the G1 electric utility rate shall receive a discount for twelve consecutive months of 15%; a customer assigned to the G2 electric utility rate shall receive a discount for twelve consecutive months of 10%, and for commercial customers assigned to the G3, G4, G5, or I1 electric utility rate shall receive a discount for twelve consecutive months of 5% for twelve consecutive months; and

This discount may not be combined with any other electric discount or rate and shall only apply to the base rate. Surcharges including but not limited to the California Energy Commission fee, Solar Surcharge, Public Benefits charge, State Energy Tax and other assessments or charges after the date of this rate schedule shall not be subject to this discount.

- B. New Jobs Rate Discount – NJR Discount, applicable to any commercial or industrial customer that adds a minimum of two (2) full-time positions, and retains those positions for at least twelve consecutive months, with the following stipulation: a 1% discount shall be applied for every full-time position added, capped at 15% total discount for a total of twelve consecutive months; and

This discount may not be combined with any other electric discount or rate and shall only apply to the base rate. Surcharges including but not limited to the California Energy Commission fee, Solar Surcharge, Public Benefits charge, State Energy Tax and other assessments or charges after the date of this rate schedule shall not be subject to this discount.

SECTION 2. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 3. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. This ordinance shall be published one time in the "Lodi News-Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi and shall be in force and take effect thirty days from and after its passage and approval.

SECTION 6. The Rate Schedules referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after July 1, 2011, and said utility rate discounts shall expire on June 30, 2013.

BOB JOHNSON
MAYOR

ATTEST:

RANDI JOHL
City Clerk

State of California
County of San Joaquin, **ss.**

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held May 18, 2011, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2011, by the following vote:

AYES: COUNCIL MEMBERS -

NOES: COUNCIL MEMBERS -

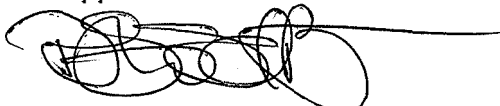
ABSENT: COUNCIL MEMBERS -

ABSTAIN: COUNCIL MEMBERS -

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

RANDI JOHL
City Clerk

Approved to Form:



D. STEPHEN SCHWABAUER
City Attorney



Lodi Electric Utility Economic Incentive Rate Discounts

Lodi City Council
May 18, 2011





Economic Incentive Rate Discounts

- Why rate discounts?
- What do we offer today?
- What are we proposing?
- Next steps





Why do we offer economic incentive rate discounts?

- Serves as an economic development tool for the City
- Encourages job growth
- Encourages business expansion
- Allows start-ups to focus on their business first





What are we offering today?

- **New Sales Tax:** 10% discount to new business that generates \$100,000 in new revenue
- **Economic Development Incentive Discounts**
 - LEED building construction
 - New/expanded energy load
 - Job creation
 - Enterprise Zone
 - Opening a wine/tourism-related business





What are we proposing for July 1?

☐ **New Business Rate Discount**

- Good for 12 months
- Applies to any new business locating in Lodi
- Rate discount ranges from 5% to 15%
- Sunsets 6/30/13

☐ **New Jobs Rate Discount**

- Good for 12 months
- 1% for every full-time employee added (min. two)
- Capped at 15 percent
- Sunsets 6/30/13

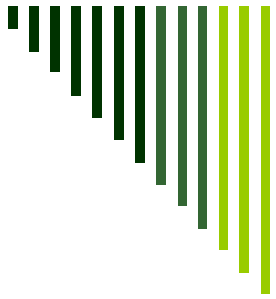




Next steps, with Council approval

- Update current utility rate books
- Finalize implementation with other City departments (billing, etc.)
- Partner with Lodi Chamber of Commerce, San Joaquin Partnership, The Business Council, and other entities to promote the discounts





Questions?





*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING TO CONSIDER INTRODUCING AN ORDINANCE ON
ECONOMIC INCENTIVE RATE DISCOUNTS

PUBLISH DATE: SATURDAY, APRIL 9, 2011


LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, APRIL 7, 2011

ORDERED BY: RANDI JOHL
CITY CLERK


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS	Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)
	Phoned to confirm receipt of all pages at _____ (time) _____ JMP _____ MB _____ CF (initials)



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER INTRODUCING AN ORDINANCE ON ECONOMIC INCENTIVE RATE DISCOUNTS

On Thursday, April 7, 2011, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider introducing an ordinance on economic incentive rate discounts (attached and marked as Exhibit A) was posted at the following locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 7, 2011, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: May 18, 2011

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl
City Clerk
Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

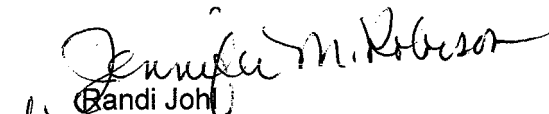
NOTICE IS HEREBY GIVEN that on **Wednesday, May 18, 2011**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

a) Introduce an ordinance on economic incentive rate discounts.

Information regarding this item may be obtained in the Electric Utility Department, 1331 South Ham Lane, Lodi, (209) 333-6762. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

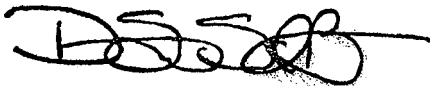
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:


for **Randi Johl**
City Clerk

Dated: April 6, 2011

Approved as to form:



D. Stephen Schwabauer
City Attorney